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PRESS RELEASE

Brazilian Middle Class Reaches 95 Million, Representing Over Half of Population
Study shows social progress as 31 million lifted from poverty from 1999-2009

Brasília, August 8, 2011 – Brazil's Secretariat of Strategic Affairs of the Presidency (SAE) released the *Classe Média em Números* (Middle Class in Numbers) study today indicating that 31 million people entered the Brazilian middle class over the decade from 1999 to 2009, bringing the total number of citizens in the middle class to 95 million – or 52 percent of the total population. Technically defined as citizens with a combined family income between R\$1,000 and R\$4,000, this growing segment of the Brazilian population is primarily comprised of young people with formal employment and disposable income, according to the detailed analysis of data from the National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios* - PNAD) presented in the study.

"Brazil is dedicated to fostering social development in tandem with economic growth, so this detailed study of our emerging middle class is essential to planning for our future," says **SAE Minister Moreira Franco**. "The findings will be used to devise social and economic policies to promote security and new opportunities for this large segment of the Brazilian population, ensuring that their climb out of poverty is permanent."

The demographic shifts highlighted in the study point to an accelerated decrease in Brazil's lower class over the concentrated six-year period between 2003 and 2009. In absolute terms, the lower class fell from 85 million to 61 million citizens over this period, while the number of citizens living below the poverty line dropped from almost 40 percent of the population at the end of 2003 to 24 percent at end 2009. This rapid shift is the result of social protection policies, the resumption of inclusive economic growth, the expansion of employment and access to credit, and an increase in access to education.

In addition to widening the middle class, these policies were successful in reducing income inequality in Brazil. PNAD data shows that the growth rate in the per capita income of the poorest 10 percent was nearly four times the growth rate among the richest 10 percent from 1999 to 2009.

Profile of Brazil's C Class

The study indicates that Brazil's middle class – or C class – is fairly heterogeneous. Key characteristics revealed by the PNAD data include:

- Youth: Proportionally, the middle class has the largest number of citizens between 20 and 24 years of age. In all, 9.3 percent of the C class is in this age group, compared to 7.8 percent of the upper class and 7.7 percent of the lower class.
- Family Size: 63 percent of C class families have one or two children.
- Race: 48 percent of the middle class is black (compared to 36 percent in 1999).
- Urban Dwellers: Approximately 90 percent of the Brazilian middle class live in urban areas; nearly half (45 percent) of the middle class live in small cities, some of which are also considered urban areas.
- Region: The Southeast region is home to the highest segment of the middle class population (48 percent).

- Labor Force: The middle class comprises roughly 60 million workers, representing 58 percent of Brazil's labor-intensive workforce. Of this total, 42 percent work with a formal contract, and key professions among this group are trade, repair and manufacturing.
- Education: About 40 percent of the middle class has 8 to 11 years of schooling. The C class accounted for 42 percent of all educational expenditures in the country between 2008 and 2009.

For more information on the survey (in Portuguese), please visit:

<http://www.sae.gov.br/novaclassemedia/>

Source: Secretariat of Strategic Affairs of the Presidency of Brazil (SAE)

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